

Jacques FIESCHI, *et al.*  
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### REMARKS

Claims 1-25 are currently pending in the application. Claims 1, 8, 9, and 16 are independent claims. Claims 1, 3, 5-6 are amended and new claims 21-25 are added for the Examiner's consideration. The amended and new claims recite subject matter disclosed by Applicants' original specification, for example, at least pages 5-7. Reconsideration of all pending claims in view of the following remarks is respectfully requested.

#### **35 U.S.C. § 103 Rejection**

Claims 1-3 and 8-11 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,327,578 to Linehan ("Lee") in view of U. S. Patent No. 6,748,367 to Lee ("Lee"). Dependent claims 4, 5, 13, 14, and 20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Linehan and Lee as applied to claims 1 and 9, in further view of U.S. Patent No. 5,999,624 to Hopkins ("Hopkins"). Claims 6, 7, and 15 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Linehan, Lee, and Hopkins as applied to claim 5, in further view of U.S. Patent 6,205,437 to Gifford ("Gifford"). Claim 12 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Linehan and Lee as applied to claim 9, in further view of Gifford. Independent claim 16 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Linehan in view of Gifford. Claims 17-19 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Linehan and Gifford as applied to claim 16, in further view of Hopkins. Each of these rejections is respectfully traversed.

#### **Allowability of Independent Claims 1, 8, and 9 and Claims Dependent Therefrom**

The suggested combination of Linehan and Lee fails to disclose each and every element of claim 1, as is required for a *prima facie* case of obviousness to be established. Specifically, claims 1 and 8 recite, in pertinent part:

checking, by the electronic payment center, that the at least one PIN code which is provided by said buyer to said electronic payment center is associated with the number of said credit/debit card provided by said buyer to said seller terminal; and

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checking, by said electronic payment center, with a third party whether the said at least one PIN code is valid.

Claim 9 also recites:

performing a first validation with the transaction information from the buyer and seller by the electronic payment center;

requesting, by the electronic payment center, further validation from a third party to provide authentication by an electronic transaction; ....

The Examiner admits at page 3 of the Office Action that Linehan does not expressly disclose checking, by said electronic payment center with a third party whether the said at least one PIN code is valid. Lee, at col. 11, lines 18-23, is then cited in an attempt to cure this deficiency.

Lee fails to cure the deficiencies of Linehan. That is, Lee fails to disclose 1) a second checking of the PIN code, and 2) checking by a third party, as recited by claims 1 and 8. With respect to claim 9, Lee fails to disclose 1) performing a first validation by the electronic payment center, and 2) requesting, by the electronic payment center, further validation from a third party. In the passage cited by the Examiner, Lee teaches that an authentication server generates a prompt which requests a user to enter a PIN (and an electronic token). Authentication server 150 then interacts with account manager server 122 to verify the digital token and matching PIN. If verified, a session is established. Nothing in this description teaches or suggests that the PIN once verified, is subjected to a second, third-party verification process as claimed. Moreover, it is apparent from Lee's Figure 5 and description thereof at columns 8 and 9, that Lee's account manager server 122 is not a third party. Instead, both the account manager server 122 and the authentication server 150 reside within a single processor 110. For these reasons, the deficiencies of Linehan are not cured by Lee.

Additionally, when claims 1, 8, 9, and 16 are read in light of Applicants' specification at pages 5-7, it is understood that the PIN code disclosed by Linehan is not the same as the claimed PIN code. For example, the PIN code associated with the credit card described in Linehan, col.7, line 42 is the PIN code that is commonly used on credit cards nowadays. This PIN code is

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secret and is not given to any seller. Even for internet transactions, it is not recommended to transmit this PIN code. Instead, a back card identification number is generally used to cross check the validity of credit cards.

Thus, the plurality of PIN codes described and claimed in the present invention cannot be compared to the common PIN codes used on ATM machines to get cash. It is important to note that the PIN codes according to the present invention are not secret, unlike the PIN codes commonly used and mentioned in Linehan. The PIN codes according to the claimed invention just indicate that the buyer has some rights to buy with the debit/credit card up to a given amount. To validate these rights, a verification with a third party is required. This third party is generally not the payment center.

In further contrast to Linehan, the claimed invention requires only one card number for all the members of a group, and the rules of transactions allowed in association with the credit/debit card are defined by the PIN codes. Thus, the PIN codes for each debit/credit card are different depending on the group members and the maximum authorized amounts.

Unlike the present invention, Linehan's PIN code is never transmitted to sellers. In Linehan, the PIN code can possibly be used by the gateway to authenticate the buyers, but compared to the claimed invention, the function of the Linehan's PIN code is completely different. The only common point between Linehan and the claimed invention is that, in both descriptions, the word of "PIN code" is used. Except for that, the object and the use of the respective PIN codes is completely different.

In Linehan, the PIN code is secret, but in the present invention, the PIN codes are not secret. In Linehan, the PIN code is unique and permanent, but in the present invention, there are a plurality of PIN codes and each of these PIN codes can be used only once. In Linehan, the PIN code is used to get cash, but this is not the object of the present invention. In Linehan, the PIN code is never transmitted to sellers, but in the present invention, the PIN code is transmitted to the seller (*e.g.*, the PIN code is not secret). In the claimed invention, the PIN code is a means for the seller to check that the associated credit card is allowed for the amount of the transaction.

Moreover, in the present invention, the PIN codes, each for a different authorized amount, may be derived from what it called "the original PIN code" (the secret one). (See

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Applicants' first filing before the EPO, page 5 lines 7 to 10). Of course, it is impossible to retrieve the original secret PIN code from the other PIN codes.

In addition, in the present invention, a given PIN code may be used only once and a different PIN code must be used for the next transaction (*e.g.*, unlike Linehan's PIN Codes, the claimed PIN codes are not permanent).

In fact, what it is possible to do with credit cards is different. Unlike the present invention, Linehan's invention does not give the owner of a debit/credit card to limit their or another person's transaction to a given amount. This is possible, however, with the present invention.

The present invention describes the use of the PIN codes in two types of transactions :

- transactions with a prevalidated amount, or
- transactions requiring a 3rd party validation.

In Linehan, it is impossible for a seller to check that a person is only allowed to buy up to a limited amount. Indeed, the use of a credit/debit card such as the one described in the claimed invention, having a limited but certified transaction capability, is new. Such a credit/debit card guarantees the seller and its bank that the payment will be authorized without any problem.

The Lee reference continues the same confusion with the PIN code definition. In Lee, the PIN code has a secret value that allows the validation of the token. In the present invention, however, the PIN code is not secret. Instead, the claimed PIN code is given to a third party server that indicates in return that the transaction and the corresponding amount are authorized. This has nothing to do with the conclusion of the transaction done by the payment center using different means. These means generally include additional secure steps. These additional steps are, of course, are well-known and are not part of the claimed invention.

In fact, in Lee, does not teach or suggest any transaction validation either based on a prevalidated amount or on a 3rd party validation as claimed.

Accordingly, claims 1, 8, and 9 remain allowable over the combination of Linehan and Lee. Dependent claims 2-7 are further allowable over the combination of cited references due to their dependencies from allowable base claim 1. Dependent claims 10-15 and 20 are further allowable over the combination of cited references due to their dependencies on allowable base

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claim 9. For these reasons, the Examiner is respectfully requested to withdraw the § 103(a) rejection of claims 1-7, and to pass these claims to issue.

**Allowability of Dependent Claims 4, 5, 12-15, and 20**

The rejection of dependent claims 4, 5, 12-15, and 20, over Linehan and Lee as applied to claims 1 and 9, in further view of Hopkins and Gifford, is mooted by the traversal of the combination of Linehan and Lee. Consequently, withdrawal of this rejection is respectfully requested.

**Allowability of Independent Claim 16**

The suggested combination of Linehan and Gifford fails to disclose each and every element of claim 16, as is required for a *prima facie* case of obviousness to be established. Specifically, claim 16 recites, in pertinent part:

performing a pre-validation of buyer information with a third party;

performing a validation with the transaction information from the buyer and seller by the electronic payment center; and

providing authentication for a sale by an electronic transaction when the pre-validation and validation provide authorization

The Examiner admits at page 8 of the Office Action that Linehan does not expressly disclose performing a pre-validation of buyer information with a third party and providing authentication information for a sale by an electronic transaction when the pre-validation and validation provide authentication. Gifford, at col. 7, lines 40-61, is then cited in an attempt to cure these deficiencies.

Gifford fails to cure the deficiencies of Linehan. That is, Gifford fails to disclose authentication information for a sale by an electronic transaction when the pre-validation and validation provide authentication. In the passage cited by the Examiner, Gifford teaches pre-validating buyer information using a separate payment computer. In particular, as taught by

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Gifford, a buyer computer prepares a payment order and sends it to a separate payment computer for validation. Once validated, the payment computer returns an unforgeable certificate to the merchant computer, which then performs fulfillment and sends the purchased product(s) to the buyer. That is, Gifford teaches providing authentication for a sale by electronic transaction when the pre-validation alone provides validation. In contrast, the claimed invention provides authentication for a sale only when both the pre-validation (provided by 3<sup>rd</sup> party) and validation (performed by the electronic business center) provide authorization. For at least these reasons, independent claim 16 remains allowable over the combination of Linehan and Gifford.

#### **Allowability of Dependent Claims 17-19**

The rejection of dependent claims 17-19, over Linehan and Gifford as applied to claim 16, in further view of Hopkins, is mooted by the traversal of the combination of Linehan and Gifford. Consequently, withdrawal of this rejection is respectfully requested.

#### **Allowability of New Claims 21-25**

New claims 21-25 are allowable over the cited references based on their dependencies on allowable base claim 1, as well as for their added features. For example, although Gifford discloses one form of prevalidation (*e.g.*, issuance of an unforgeable certificate), Gifford fails to disclose bypassing the step of checking with a third party to see whether the at least one pin code is valid. Additionally, Linehan discloses only a single, secret PIN code that is reusable, and which is associated with a single individual. Linehan does not disclose a PIN code that can be used to limit the purchasing amount of a debit/credit card associated with one or more persons. Instead, Linehan discloses associating one PIN code per individual per card.

For at least these reasons, the Examiner is respectfully requested to pass new claims 21-25 to issue.

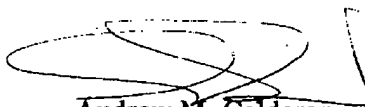
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### CONCLUSIONS

In view of the foregoing remarks, Applicants submit that all of the claims are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue. The Examiner is invited to contact the undersigned at the telephone number listed below, if needed. Applicants hereby make a written conditional petition for extension of time, if required. Please charge any deficiencies in fees and credit any overpayment of fees to **International Business Machines Deposit Account No. 09-0457 (Endicott)**.

Respectfully submitted,



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